

Hoosier Environmental Council suggested draft rule language

### **326 IAC 10-4-2 Definitions**

"End-use energy efficiency project" means a measure implemented at the customer level that uses a reduced amount of electricity, measured in kilowatt-hours to maintain or increase the level of energy service, including product output and comfort level. Examples of such measures include, without limitation, installing new equipment or systems, modifying existing equipment or systems, or improving operation and maintenance procedures.

"In-plant efficiency measure" means a measure undertaken at a NOx Budget source that increases the overall energy efficiency of the facility. Examples of such as measure include, without limitation, improvements in thermal efficiency or more efficient production of electricity.

"Renewable energy project" means a power generation technology that produces electricity from wind energy, solar thermal energy, photovoltaics or methane waste, but not the combustion or pyrolysis of solid or hazardous wastes.

### **326 IAC 10-4-? Energy Efficiency and Renewable Energy Set-Aside Allocation.**

(a) The Energy Efficiency and Renewable Energy Set-Aside Allocation will consist of 20% of the Indiana state trading program budget. For each control period, IDEM will determine NOx allowance distributions from the Energy Efficiency and Renewable Energy Set-Aside Allocation in accordance with the following procedures.

(1) IDEM will open and manage a general account for the Energy Efficiency and Renewable Energy Set-Aside Allocation for each control period.

(2) Project sponsors of any of the following types of projects in Indiana may be eligible for receipt of NOx allowances from the Energy Efficiency and Renewable Energy Set-Aside Allocation:

(A) End-use efficiency projects.

(B) Renewable energy projects.

(C) In-plant energy efficiency projects.

(3) The NOx authorized account representative of a project sponsor may submit a written request to IDEM to reserve a number of NOx allowances in the relevant Energy Efficiency and Renewable Energy Set-Aside Allocation general account. The reservation request must be submitted by July 1 after the control period for which the request is being made and must include information to assure that projects

demonstrate accreditable NOx emissions reductions or avoidances during the control period in accordance with IDEM measurement and verification protocols.

(4) IDEM will give first priority in reserving NOx allowances in the relevant Energy Efficiency and Renewable Energy Set-Aside Allocation general account to sponsors of eligible end-use energy efficiency projects and renewable energy projects. Project sponsors of in-plant energy efficiency projects shall only have reservation requests granted after IDEM has satisfied all approved NOx allowance reservation requests related to end-use energy efficiency projects and renewable energy projects.

(5) If more than one project sponsor of an end-use energy efficiency project or renewable energy project requests the reservation of NOx allowances and the number of NOx allowances that are subject to IDEM approved requests exceeds the number of NOx allowances in the relevant Energy Efficiency and Renewable Energy Set-Aside Allocation general account, IDEM will reserve NOx allowances from the account for the project sponsors in the order in which the project sponsors submitted approvable reservation requests. For the purposes of this paragraph, requests will be considered simultaneous if they are made in the same calendar quarter. Should approvable reservation requests in excess of the allocation to the relevant Energy Efficiency and Renewable Energy Set-Aside Allocation general account be submitted in the same calendar quarter by different project sponsors, IDEM will reserve NOx allowances for those project sponsors on a basis proportional to the number of NOx allowances requested by each project sponsor.

(6) If after IDEM has satisfied all approvable NOx allowance reservation requests related to end-use energy efficiency projects and renewable energy projects, or more than one in-plant energy efficiency project requests the reservation of NOx allowances, and the number of NOx allowances that are subject to IDEM approved reservation requests exceeds the number of NOx allowances remaining in the Energy Efficiency and Renewable Energy Set-Aside Allocation general account, IDEM will reserve NOx allowances in the account for the project sponsors in the order in which the project sponsors submitted approvable reservation requests. For the purposes of this paragraph, requests will be considered simultaneous if they are made in the same calendar quarter. Should approvable reservation requests in excess of the remaining allocation to the relevant Energy Efficiency and Renewable Energy Set-Aside Allocation general account be submitted in the same calendar quarter by different project sponsors, IDEM will reserve NOx allowances for those project sponsors on a basis proportional to the number of NOx allowances requested by each project sponsor.

(7) Project sponsors of end-use energy efficiency projects, renewable energy projects, and/or in-plant energy efficiency projects may request the reservation of NOx allowances for any control period, or portion thereof, that is within five years following project implementation.

(8) IDEM will distribute NOx allowances from the relevant Energy Efficiency and Renewable Energy Set-Aside Allocation general account to the general account of a project sponsor within two years from the start of the control period for which the request was made.